“Barn Raising” the New Economy
Blog post written for the New Economy Coalition by Christi Electris

Transitioning to a New Economy requires nontraditional investments in new kinds of businesses. Crowdfunding, the collective effort of individuals who network and pool resources to finance a project or business, provides a way to support these start-ups with a small-scale, low-risk gift or investment. Crowdfunding takes advantage of the easy accessibility of our virtual networks, such as email and social media, to promote the types of businesses we would like to see flourish. While in most cases U.S. crowdfunding is currently limited to gifts, it may be used as a stepping stone toward readiness for other forms of traditional investments, such as debt and equity. Participating in crowdfunding campaigns that support start-ups and projects that we believe in allows these businesses to prove themselves as viable and can start to shift the trajectory of the economy.

Croatan Institute has recognized the power of crowdfunding as a tool, and supports rural value chains working with the WealthWorks approach to local and regional development to build and keep wealth local. Because value chains are not businesses in themselves, it is difficult to finance them with traditional forms of capital. The nonprofits we work with are attempting to use crowdfunding as a way to fill gaps in the value chains they oversee to unleash the success of a chain of businesses. For example, one farming cooperative lacks the labor it needs to tend the fields, despite plenty of willing and available labor in the nearby town because of a lack of transportation. They want to purchase a van which farmers can share to fill the gap. The Black Belt Treasures Cultural Arts Center, a participant in Croatan Institute’s Crowdfunding Action Learning Program last spring, is fundraising to build a new pottery station to support the Alabama Black Belt region’s art economy. Underserved youth and adults will be able to learn the traditional craft of the region, meet artists, and sell their work, contributing to the local economy and providing jobs. In exchange for donations to the project, donors can receive a variety of rewards, including original art pieces created in the new pottery station, once built. (Their campaign to raise $10,000 is live until October 17th on Indiegogo.)

Rural communities used to hold barn raisings to support each other through contributing their time, energy, and physical strength. Today, online crowdfunding is becoming the modern-day equivalent, and can fill gaps in these value chains. With more and more people connecting online, strong social networks and long email lists are critical to supporting communities at a neighborhood, regional or purely virtual level. Connecting with local community members is important, but our “community” definition must be expanded to include those who have left the area but want to stay connected, and people who are excited about the type of work being done such as online bloggers and networks. We, as the people who support and benefit from these projects, can all participate in “barn raising” this new economy, one business at a time.